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EAST LOS ANGELES WOMEN'S CENTER

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INDEPENDENT AUDITORS' REPORT

To the Governing Board
East Los Angeles Women's Center
Los Angeles, California

We have audited the accompanying statement of financial position of East Los Angeles Women's Center as of December 31, 2008 and the related statement of activities, statement of functional expenses and statement of cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the organization as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2009 on our consideration of East Los Angeles Women's Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of East Los Angeles Women's Center taken as a whole. The Schedule of Expenditures of Federal Awards and other accompanying Supplemental Schedules, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



July 13, 2009
Pasadena, California

Phone
626.449.6321

Fax
626.449.7091

Toll Free
877.449.6321

Web
goehnercpas.com

Address
251 S. Lake Avenue
Suite 190
Pasadena, CA 91101

EAST LOS ANGELES WOMEN'S CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

CURRENT ASSETS

Cash	\$	70,039
Accounts receivable		90
Grants and contracts receivable		146,717
Prepaid expenses		<u>9,334</u>

Total current assets 226,180

TOTAL ASSETS \$ 226,180

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	11,612
Accrued expenses		39,122
Line of credit		<u>44,085</u>

Total current liabilities 94,819

TOTAL LIABILITIES 94,819

NET ASSETS

Unrestricted		99,723
Temporarily restricted		<u>31,638</u>

TOTAL NET ASSETS 131,361

TOTAL LIABILITIES AND NET ASSETS \$ 226,180

The accompanying notes are an integral part of this statement.



EAST LOS ANGELES WOMEN'S CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Unrestricted	Temporarily restricted	Total
SUPPORT AND REVENUE			
Government grants	\$ 767,511	\$ -	\$ 767,511
Pledges and contributions	12,420	52,500	64,920
Other income	6,562	-	6,562
Bad debts	(23,169)		(23,169)
Net assets released from restrictions	20,862	(20,862)	-
Total support and revenue	784,186	31,638	815,824
EXPENSES			
Program services	806,123	-	806,123
Management and general	52,973	-	52,973
Fundraising	5,823	-	5,823
Total expenses	864,919	-	864,919
CHANGE IN NET ASSETS	(80,733)	31,638	(49,095)
NET ASSETS AT BEGINNING OF YEAR	180,456	-	180,456
NET ASSETS AT END OF YEAR	\$ 99,723	\$ 31,638	\$ 131,361

The accompanying notes are an integral part of this statement.



EAST LOS ANGELES WOMEN'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program services	Management and general	Fundraising	Total
PERSONNEL EXPENSES				
Salaries	\$ 469,508	\$ 19,769	\$ 4,942	\$ 494,219
Payroll taxes and employee benefits	83,701	5,629	881	90,211
Total personnel expenses	553,209	25,398	5,823	584,430
OTHER EXPENSES				
Facilities	61,489	3,183	-	64,672
Repairs and maintenance	17,008	1,047	-	18,055
Supplies	21,143	2,951	-	24,094
Travel and entertainment	12,190	56	-	12,246
Insurance	9,344	-	-	9,344
Professional services	43,739	7,906	-	51,645
Contracted services	26,896	4,156	-	31,052
Other	18,268	8,276	-	26,544
Volunteer services	42,837	-	-	42,837
Total other expenses	252,914	27,575	-	280,489
TOTAL EXPENSES	\$ 806,123	\$ 52,973	\$ 5,823	\$ 864,919

The accompanying notes are an integral part of this statement.



EAST LOS ANGELES WOMEN'S CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS	\$ (49,095)
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Adjustments to reconcile change in net assets to net cash
provided by operating activities:

Changes in operating assets and liabilities:

Accounts receivable	(90)
Grants and contracts receivable	78,761
Prepaid expenses	(3,408)
Accounts payable	(9,088)
Accrued expenses	<u>10,328</u>

CASH PROVIDED BY OPERATING ACTIVITIES	<u>27,408</u>
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CASH FLOWS USED FOR FINANCING ACTIVITIES

Proceeds from loans	10,000
Payments on line of credit	(5,045)
Principal payments on note payable	<u>(10,000)</u>

CASH USED FOR FINANCING ACTIVITIES	<u>(5,045)</u>
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NET INCREASE IN CASH	22,363
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CASH AT BEGINNING OF YEAR	<u>47,676</u>
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CASH AT END OF YEAR	<u><u>\$ 70,039</u></u>
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CASH PAID DURING THE YEAR FOR:

INTEREST	\$ 5,488
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The accompanying notes are an integral part of this statement.



EAST LOS ANGELES WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

ORGANIZATION

The East Los Angeles Women's Center (the Organization), formerly known as Avance Human Services, Inc., provides a variety of services for women, focusing on sexual and domestic violence and HIV/AIDS. Crisis intervention, prevention, education, and advocacy services are offered in order to address the needs of a multicultural and multilingual community. With an emphasis on the Latino community, the Center works to empower and give hope to individuals, families, and the community at large.

Sexual Assault Hotline - The Sexual Assault Hotline program provides confidential 24-hour bilingual-bicultural telephone counseling seven days a week. The Organization also sponsors seminars on rape and battering awareness in schools and the community as well as provides hospital accompaniments.

AIDS Education - The AIDS Information Service provides current, accurate, and biculturally sensitive information about AIDS to the Latino communities in the 12 counties of Southern California. AIDS education and prevention presentations are offered in schools and the community.

Domestic Violence Care - This program encompasses hospital accompaniments and counseling, advocacy, and community outreach and prevention education.

In conformance with its stated mission, the Organization operates a clinic in East Los Angeles, California. It has entered into contractual agreements with state and county agencies to offer funding to provide welfare and assistance programs to residents within its area of operation.

SIGNIFICANT ACCOUNTING POLICIES

INCOME AND SUPPORT RECOGNITION

The financial statements of the Organization have been prepared on the accrual basis of accounting.

All donations received are considered available for unrestricted use unless restricted by the donor. The Organization records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Non-cash contributions received (gifts-in-kind) are recorded at fair market value when they are significant in amount and when there is a reasonable basis for valuation.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



EAST LOS ANGELES WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME TAXES

The Organization operates as a non-profit corporation under section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Management believes that this exemption will remain unchanged.

JOINT COST ALLOCATION

The Organization incurs costs that are shared by program, management and general, and fundraising activities. The amount allocated to each area depends upon the purpose, audience, and content of each medium used. The Organization determined the allocation based on both current and historical evidence.

BASIS OF PRESENTATION

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as described below.

Unrestricted, includes funds which are expendable for the support of the Organization's operations.

Temporarily restricted, includes funds which donors have restricted for specific purposes or for use according to specific timetables, or both.

Permanently restricted, includes funds where donors stipulate that principal be invested in perpetuity and income be used for operating purposes.

As of December 31, 2008, there were no permanently restricted net assets.

GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of contracts due to the Organization for program services provided to clients. The account also consists of balances of pledges due from foundations that are expected to be received in the following year. Management believes these pledges to be fully collectible, based on experience, and has not set up an allowance for these pledges.

PREPAID EXPENSES

Prepaid expenses consist of deposits and prepaid insurance that the Organization intends to use during the following fiscal year.

PROPERTY AND EQUIPMENT

Property and equipment are reported at cost. The Organization's policy calls for capitalization of assets costing more than \$1,000. Due to the nature of operations, there are no capitalized assets on the books since the Organization is service-based and facilities are rented.



EAST LOS ANGELES WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

LINE OF CREDIT

The Organization has a line of credit with a lender in the amount of \$50,000. The line of credit bears a variable interest rate of 2.5% over prime. The interest rate as of December 31, 2008 was 9.25% per annum. The outstanding balance at December 31, 2008 was \$44,085.

COMMITMENTS

The Organization leases its facilities under a non-cancelable operating lease agreement. In March 2008, the Organization negotiated a three year lease ending February 28, 2011. Monthly lease payments are \$3,746. Minimum lease payments at December 31, 2008 are as follows:

2009	\$	44,952
2010		44,952
2011		<u>7,492</u>
	\$	<u><u>97,396</u></u>

Rent expense for the year ended December 31, 2008 was \$51,655.

RETIREMENT PLAN

The Organization maintains a 401(k) profit-sharing plan. All employees over the age of 21 with at least 1 year of service and a minimum of 1,000 hours of service in that year are eligible. Employees may contribute between 1% and 12% of their compensation to the plan annually. The plan's administrative costs to the Organization were \$910 for the year ended December 31, 2008.

REQUIRED BANK ACCOUNT

The Organization maintains a separate bank account for Department of Health Services (DHS) contract advances. The original contract between the Organization and the DHS required the setup of this account, and the administration of this account by the contract manager. The Organization is in compliance with these requirements, and transfers of money are made in compliance with the expenditure provisions in the contract.

NON-CASH TRANSACTIONS

GIFTS-IN-KIND

Gifts-in-kind consist of professional services rendered related to governmental contracts and are recorded at the estimated fair market values when the services are provided. Donated services revenue and related expenses for the year ended December 31, 2008 were \$42,837.



SUPPLEMENTARY INFORMATION



EAST LOS ANGELES WOMEN'S CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/ AGREEMENT No.</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<u>Federal Assistance</u>			
<u>U.S. Department of Health and Human Services</u>			
Passed through the County of Los Angeles			
CAL Works Domestic Violence Supportive Services Program	93.558	DV-CWGR-0809-13	\$ 162,912
Community Services Block Grant	93.569	1DV-08-011	32,092
Federal Rape Prevention	93.991	05-45582 A01	71,124
<u>U.S. Department of Justice</u>			
Passed through the Governor's Office of Emergency Services			
Rape Victim Counseling Center	16.575	RC08281022	177,964 *
<u>U.S. Department of Housing and Urban Development</u>			
Passed through City of Los Angeles			
Human Services HIV/AIDS Prevention	14.218	C-110630	24,830
Human Services HIV/AIDS Prevention	14.218	G-113445	<u>43,943</u>
TOTAL			\$ <u><u>512,865</u></u>

* Major program

This schedule has been prepared on the accrual basis of accounting.
The accompanying notes are an integral part of this statement.



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Governing Board
East Los Angeles Women's Center
Los Angeles, California

We have audited the financial statements of East Los Angeles Women's Center as of and for the year ended December 31, 2008, and have issued our report thereon dated July 13, 2009. We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether East Los Angeles Women's Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered East Los Angeles Women's Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Governing Board, finance committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



July 13, 2009
Pasadena, California

Phone
626.449.6321

Fax
626.449.7091

Toll Free
877.449.6321

Web
goehnercpas.com

Address
251 S. Lake Avenue
Suite 190
Pasadena, CA 91101

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Governing Board
East Los Angeles Women's Center
Los Angeles, California

Compliance

We have audited the compliance of East Los Angeles Women's Center with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. East Los Angeles Women's Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of East Los Angeles Women's Center's management. Our responsibility is to express an opinion on East Los Angeles Women's Center's compliance based on our audit.

We conducted our audit of compliance in accordance with the United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about East Los Angeles Women's Center's compliance with those requirements and performing other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on East Los Angeles Women's Center's compliance with those requirements.

In our opinion, East Los Angeles Women's Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control over Compliance

The management of East Los Angeles Women's Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered East Los Angeles Women's Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that noncompliance with applicable requirements of laws, regulations, contracts, and

Phone
626.449.6321

Fax
626.449.7091

Toll Free
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Web
goehnercpas.com

Address
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Suite 190
Pasadena, CA 91101

grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Our consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be significant deficiencies and; accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses as defined above.

This report is intended solely for the information of the Governing Board, finance committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Dorner County

July 13, 2009
Pasadena, California



EAST LOS ANGELES WOMEN'S CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unqualified opinion on the financial statements of East Los Angeles Women's Center (the Organization).
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with the OMB Circular A-133.
5. The Auditors' Report on Compliance for the major federal award programs for the Organization expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Organization were noted during the audit.
7. The program tested as a major program included:
U.S. Department of Justice - Passed through the Governor's Office of Emergency Services - Rape Victim Counseling Center
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Organization was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None